



**Fact Sheet  
on the Draft  
Environmental Cooperative Agreement  
between  
Wisconsin Electric Power Company  
and  
Wisconsin Department of Natural Resources**



Following a Public Comment Period, the Wisconsin Department of Natural Resources (DNR) will determine whether to sign an Environmental Cooperative Agreement (Agreement) with Wisconsin Electric Power Company (WEPCO), a subsidiary of Wisconsin Energy Corporation, that covers eight fossil fuel power plants in Wisconsin. This Agreement was developed under Wisconsin's Environmental Cooperation Pilot Program pursuant to Section 299.80, Wis. Statutes.

**A. Background**

WEPCO produces, delivers, and sells electric energy in southeastern, east central, and northern portions of Wisconsin and the Upper Peninsula of Michigan. WEPCO owns and operates five coal-burning power plants and three natural gas-burning power plants in Wisconsin that would be covered by this agreement.

WEPCO was the first company to enroll in the Environmental Cooperation Pilot Program when it signed an agreement with DNR in February 2001 covering the Pleasant Prairie Power Plant. WEPCO has been frequently recognized for its environmental leadership, including winning the 2002 Governor's Award for Excellence in Environmental Performance.

**B. WEPCO Commits to Continuing Environmental Improvement**

With this agreement, WEPCO is volunteering to reduce air emissions from its five coal-burning power plants in Wisconsin. In doing so, WEPCO would become the first company in Wisconsin to voluntarily commit to an enforceable, multi-pollutant, air quality strategy that goes beyond current regulatory requirements.

WEPCO's proposed air quality strategy begins with new, system-wide emission limits for sulfur dioxide (SO<sub>2</sub>) and nitrogen oxides (NO<sub>x</sub>) that all of its Wisconsin coal-burning power plants, averaged together, would meet. WEPCO would achieve a system-wide SO<sub>2</sub> limit of 0.45 lbs/mmBTU within ten years of the date of this agreement, with an interim limit of 0.70 lbs/mmBTU to be achieved within five years. WEPCO would also achieve a system-wide NO<sub>x</sub> limit of 0.15 lbs/mmBTU within ten years of the date of this agreement and an interim NO<sub>x</sub> limitation of 0.25 lbs/mmBTU within five years. WEPCO's 2000 system-wide emission rates were within regulatory limits, at approximately 0.87 lbs/mmBTU for SO<sub>2</sub> and 0.38 lbs/mmBTU for NO<sub>x</sub>.

The proposed air quality strategy would also require WEPCO to reduce mercury emissions from its Wisconsin coal-burning power plants from 1998-2000 levels by 10% within five years of this agreement and by 50% within ten years. Furthermore, the strategy documents WEPCO's intent to take action to reduce emissions of greenhouse gases and participate in DNR's voluntary emission reduction registry.

### **C. Flexibility to be Granted by DNR**

The draft agreement would not grant any variances to existing environmental standards, emission limits, or pollution control requirements, and all pollution limits currently applicable to WEPCO would remain at least as stringent as they would otherwise be, as well as verifiable and enforceable. The draft agreement would, however, provide more flexibility to WEPCO by reducing certain administrative requirements for permitting, monitoring and reporting. DNR negotiated terms to ensure that this flexibility would still provide adequate levels of regulatory oversight. The result is that these alternative procedures would save WEPCO and DNR both time and money, without jeopardizing environmental quality. This agreement does not exempt WEPCO from any future environmental requirements.

DNR and WEPCO carefully considered a range of significant factual, legal, methodological and policy questions in order to create a draft agreement that promises real environmental and economic improvements. The most challenging of these questions regarded WEPCO's desire to establish this agreement as an alternative compliance plan for a mercury reduction rule that has been drafted by DNR. Because DNR is still evaluating comments on the draft rule and the rule has not yet been promulgated, DNR could not guarantee that this agreement would satisfy the requirements of the rule. Instead, the agreement allows WEPCO the flexibility to terminate the agreement if their multi-pollutant reduction strategy is not adequate for compliance with DNR's final mercury rule.

### **D. Benefits of Agreement**

The draft agreement negotiated by DNR and WEPCO is consistent with the goals and requirements of the Environmental Cooperation Pilot Program. Over the course of a decade, the draft agreement would lead to more than a 50% reduction in mercury, sulfur dioxide, and nitrogen oxide emissions from coal-fired power plants owned by WEPCO. The draft agreement would also give WEPCO more flexibility to plan and manage the costs of emission reductions, and could ultimately serve as a model for other multi-pollutant approaches to air quality improvements. Furthermore, WEPCO would implement environmental management systems at all eight power plants, which would lead to even greater environmental benefits. WEPCO would evaluate and quantify the actual benefits from this agreement annually in a publicly available report.

### **E. Community Involvement and Building Trust**

As part of this agreement, WEPCO would increase the opportunities for interested persons in the community to learn about the company's environmental plans and achievements. A core group of stakeholders would be involved in twice-yearly reviews of the company's environmental management systems and progress reports. The public in general will have more access to information about WEPCO than ever before -- through tours, meetings, presentations, and publication of information on the Internet. All of these efforts, collectively, should lead to increased trust between WEPCO, DNR, and the public.

#### **For more information or a copy of the draft agreement between DNR and WEPCO:**

Go to the Bureau of Cooperative Environmental Assistance website at:

<http://www.dnr.state.wi.us/org/caer/cea/ecpp> or contact John Shenot at (608)267-0802, or send email to John.Shenot@dnr.state.wi.us.